

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6187

BILL NUMBER: HB 1085

DATE PREPARED: Nov 4, 2000

BILL AMENDED:

SUBJECT: Supervision of minor employees at night.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill prohibits a person, firm, limited liability company, or corporation from permitting a child who is less than 18 years of age and who is employed by the person, firm, limited liability company, or corporation from working in an establishment that remains open to the public after 10 p.m. and before 6 a.m. unless the child is accompanied by another employee who is at least 18 years of age. The bill provides for a civil penalty by the Department of Labor for a violation.

The bill also provides that if the child is injured while working at night when not accompanied by another employee at least 18 years of age, the amount of compensation and death benefits due through worker's compensation is double the amount that would otherwise be recoverable.

Effective Date: July 1, 2001.

Explanation of State Expenditures: *Department of Labor:* This bill may increase the administrative and inspection burden of the Department of Labor. However, any additional costs are expected to be absorbed using the Department's existing personnel and resources. The Department of Labor currently employs four child labor inspectors.

Worker's Compensation: Most state agencies do not employ individuals under the age of 18. An exception is the Department of Natural Resources which often employs younger workers for certain positions within the state park system (for example, lifeguards and gate attendants). Since state park employees currently follow the requirements specified in this bill, the state's exposure for increased worker's compensation benefits would be minimal.

Explanation of State Revenues: *Department of Labor:* This bill allows for the assessment of a civil penalty for noncompliance. The civil penalty for a violation of this provision is \$100 per instance for each violation identified following the initial inspection. A civil penalty of \$200 per instance can be assessed for a third

violation and a \$400 civil penalty can be assessed for the fourth or subsequent violation. Civil penalties are deposited in the Employment of Youth Fund. In FY 2000, \$31,091 in civil penalties were deposited in this fund.

Depending on the compliance rate, this bill could increase the amount of civil penalties assessed and deposited in the Employment of Youth Fund. Half of the Fund is used for educating affected parties on the purpose and content of child labor laws. The other half of the Fund is used for the hiring and salaries of additional inspectors to enforce child labor laws.

Explanation of Local Expenditures: Local entities who employ individuals under the age of 18 may also be affected by this bill. Any impact on these entities, however, is expected to be negligible.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: Pete Rimsans, Department of Labor, (317) 233-9351. Keith Beesley, Department of Personnel, (317) 232-3062.